

**GOVERNMENT OF INDIA
SHIPPING
LOK SABHA**

UNSTARRED QUESTION NO:6354
ANSWERED ON:08.05.2002
LOSS OF REVENUE TO MUMBAI PORT TRUST
RAMJI MANJHI

Will the Minister of SHIPPING be pleased to state:

- (a) whether the CAG in their report 4 of 2000 (Civil) in paragraph 11.16 has brought out the fact of taking wrong decisions by Mumbai Port Trust resulting into loss of revenue to the tune of hundreds of lakhs of rupees;
- (b) if so, whether the Government have enquired into the matters brought out by the CAG in its report;
- (c) if so, the details thereof; and
- (d) the measures taken to tone up the working of the MBPT and the purchases therein and to fix responsibility and accountability of the persons concerned for causing loss ?

Answer

MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI SHRIPAD Y. NAIK)

(a) to (d): It has inter-alia been pointed out in the C&AG's report that excess pipes were purchased, there was three to four years' delay in laying the pipeline after procurement of pipes in 1994, and the line could not be made operational for another one and half years even after completion because of leakage due to formation of micro cracks and corrosion pin holes leading to the blockage of funds. The matter was examined in consultation with Mumbai Port Trust (MbPT). The quantity of pipes were purchased on the basis of route length of the old pipes laid in 1952/1955 and anticipated additional length due to re-routing/re-alignment which may become necessary to by-pass the underground services. Further, the delay in laying the pipes was caused due to unforeseen difficulties which were confronted while laying the pipeline underground. Existence of underground services of other agencies laid in the same area through which the pipelines were proposed to be laid came to light when the contractors dug trial pits necessitating permission of several concerned agencies as also change in alignment of the pipeline. The laid pipes could not be commissioned on account of cracks in specific locations, which as per the opinion of an expert agency may have developed due to corrosion of pipeline caused by marshy and faecal environment and resultant pinholes. It was felt that in execution of such a project, it was necessary to plan and procure the pipes in advance and get them coated as per specifications and keep them ready for coating. Part of the unlaid pipes would be used in repairs/replacement and balance will be disposed off. Mumbai Port has been asked to take steps for disposal of excess/surplus material. The Port has further assured that as and when occasion arises for laying underground pipeline, care will be taken to carry out necessary investigations to ascertain the existence of stray current and that soil is not faecal and marshy.

Action taken note on the above Para, prepared in consultation with Finance Wing of this Ministry and after its vetting by Audit, has been filed with the Ministry of Finance for onward transmission to Lok Sabha Sectt.